

232023



August 31, 2011

Mrs. Jocelyn Boyd
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210

A handwritten signature, likely of M. Scott Foster, with a checkmark below it.

232023

Dear Mrs. Boyd:

Progress Energy Carolinas' ("PEC") last general rate case was in 1988 in Docket No. 1988-11-E. The Commission's Order No. 88-864 issued in that proceeding required PEC to file quarterly earnings reports based on the Commission's findings in that proceeding containing:

- 1) System Rate of Return on Rate Base – Exhibit A1
- 2) South Carolina Rate of Return on Rate Base – Exhibit A2
- 3) Return on Common Equity (Allocated to South Carolina Retail) – Exhibit B
- 4) Earnings Per Share on Progress Energy Common Stock - \$2.87
- 5) Debt Coverage Ratio or Earnings to Fixed Charges – 4.98 times

Since 1988, PEC has submitted its quarterly earnings reports consistent with the Commission's requirements, including the requirement that these reports be prepared based upon the Commission's findings in Order No. 88-864.

Given that it has been many years since PEC's last general rate case, and pursuant to the Office of Regulatory Staff's review of PEC's earnings, the Office of Regulatory Staff asked PEC to revise its quarterly earnings reports beginning with the second quarter of 2011 to incorporate jurisdictional allocations based on 2010 data. In compliance with the ORS's request, PEC submits its quarterly earnings reports for the 12 months ended June 30, 2011 on a per books and as adjusted basis. Also included is a verification of the report by PEC's President and Chief Financial Officer.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-2559.

Sincerely,

A handwritten signature of M. Scott Foster.

M. Scott Foster
Manager – PEC Regulatory & Property Accounting
Progress Energy Service Company

c: John Flitter

Enclosure

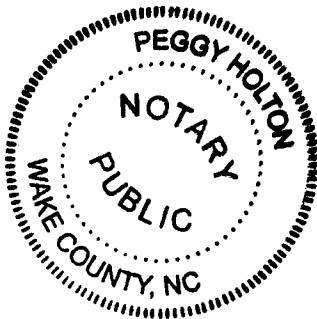
Progress Energy Service Company, LLC
P.O. Box 1551
Raleigh, NC 27602

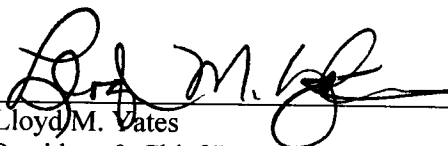
CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

I, Lloyd M. Yates, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

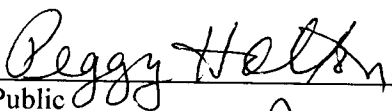
The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2010 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.




Lloyd M. Yates
President & Chief Executive Officer
Progress Energy Carolinas, Inc.

August 30, 2011
Date Signed

Subscribed and Sworn to before me this 30th day of August, 20 11.

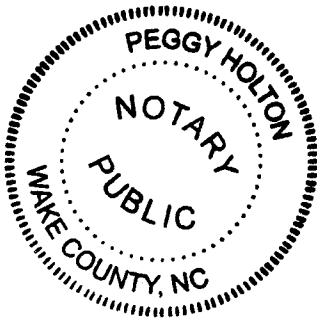

Notary Public
My Commission Expires: June 25, 2016

CERTIFICATION

(Certification must be signed by the Chief Financial Officer)

I, Mark F. Mulhern, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2010 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



Mark F. Mulhern
Mark F. Mulhern
Chief Financial Officer
Progress Energy, Inc.

August 30, 2011
Date Signed

Subscribed and Sworn to before me this 30th day of August, 2011.

Peggy Holton
Notary Public
My Commission Expires: June 25, 2016

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED JUNE 30, 2011

EXHIBIT A1

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,734,248,134	-	4,734,248,134
OPERATING EXPENSE:			
NET O&M EXPENSES	2,995,560,184	2,852,681	2,998,412,865
DEPRECIATION	489,936,711	34,459,728	524,396,439
TAXES (OTHER THAN INCOME)	213,023,179	663,382	213,686,561
INCOME TAX - STATE	7,984,279	(4,920,276)	3,064,003
INCOME TAX - FEDERAL	(8,089,507)	(68,163,905)	(76,253,412)
PROV. FOR DEFERRED TAXES	353,084,195	59,956,032	413,040,227
INVESTMENT TAX CREDIT	(5,731,608)	-	(5,731,608)
TOTAL OPERATING EXPENSE	4,045,767,433	24,847,642	4,070,615,075
INCOME FOR RETURN:			
OPERATING INCOME	688,480,701	(24,847,642)	663,633,059
CUSTOMER GROWTH	1,436,641	(51,849)	1,384,792
INTEREST ON CUST. DEPOSITS	(6,887,617)	-	(6,887,617)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	683,029,725	(24,899,491)	658,130,234
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	17,734,167,580	125,166,353	17,859,333,933
PLANT HELD FOR FUTURE USE	14,765,265	-	14,765,265
RESERVE FOR DEPRECIATION	(9,002,074,499)	(34,459,728)	(9,036,534,227)
NET PLANT IN SERVICE	8,746,858,346	90,706,625	8,837,564,971
NUCLEAR FUEL INVENTORY	432,845,822	-	432,845,822
DEFERRED TAXES - LIB. DEPR.	(1,754,359,358)	121,601,494	(1,632,757,864)
REGULATORY ASSETS	765,775,760	(122,861,134)	642,914,626
WORKING CAPITAL:			
MATERIALS & SUPPLIES	762,451,435	(1,861,343)	760,590,092
CASH WORKING CAPITAL	431,959,201	-	431,959,201
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	18,374,925	-	18,374,925
TAX ACCRUALS	(19,376,263)	-	(19,376,263)
CUSTOMER DEPOSITS	(113,777,946)	-	(113,777,946)
OPERATING RESERVES	(580,745,806)	-	(580,745,806)
CUSTOMER ADVANCES FOR CONSTR.	(17,680,377)	-	(17,680,377)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	481,205,169	(1,861,343)	479,343,826
TOTAL RATE BASE	8,672,325,739	87,585,642	8,759,911,382
RATE OF RETURN (%)	7.88		7.51

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED JUNE 30, 2011

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	536,047,989	-	536,047,989
OPERATING EXPENSE:			
NET O&M EXPENSES	319,151,475	322,677	319,474,152
DEPRECIATION	60,458,717	3,801,121	64,259,838
TAXES (OTHER THAN INCOME)	15,618,646	73,229	15,691,875
INCOME TAX - STATE	2,730,274	(337,990)	2,392,284
INCOME TAX - FEDERAL	(1,031,390)	(7,759,171)	(8,790,561)
PROV. FOR DEFERRED TAXES	47,532,862	6,812,893	54,345,755
INVESTMENT TAX CREDIT	(634,196)	-	(634,196)
TOTAL OPERATING EXPENSE	443,826,388	2,912,759	446,739,146
INCOME FOR RETURN:			
OPERATING INCOME	92,221,601	(2,912,759)	89,308,843
CUSTOMER GROWTH	(33,080)	1,045	(32,035)
INTEREST ON CUST. DEPOSITS	(553,055)	-	(553,055)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	91,635,466	(2,911,714)	88,723,753
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,044,993,428	13,816,727	2,058,810,155
PLANT HELD FOR FUTURE USE	1,629,892	-	1,629,892
RESERVE FOR DEPRECIATION	(1,045,644,909)	(3,940,022)	(1,049,584,931)
NET PLANT IN SERVICE	1,000,978,411	9,876,705	1,010,855,116
NUCLEAR FUEL INVENTORY	48,992,913	-	48,992,913
DEFERRED TAXES - LIB. DEPR.	(220,202,500)	13,883,258	(206,319,242)
REGULATORY ASSETS	103,780,565	(13,562,261)	90,218,304
WORKING CAPITAL:			
MATERIALS & SUPPLIES	93,879,153	(210,682)	93,668,472
CASH WORKING CAPITAL	49,546,569	-	49,546,569
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	2,105,182	-	2,105,182
TAX ACCRUALS	(2,219,902)	-	(2,219,902)
CUSTOMER DEPOSITS	(17,469,235)	-	(17,469,235)
OPERATING RESERVES	(66,125,155)	-	(66,125,155)
CUSTOMER ADVANCES FOR CONSTR.	(2,025,607)	-	(2,025,607)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	57,691,005	(210,682)	57,480,323
TOTAL RATE BASE	991,240,394	9,987,019	1,001,227,413
RATE OF RETURN (%)	9.24		8.86

PROGRESS ENERGY CAROLINAS
S.C. QUARTERLY REPORT
S.C. RETAIL - RETURN ON COMMON EQUITY
FOR THE TEST YEAR ENDED JUNE 30, 2011

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,688,439,135	40.16%	398,082,142	5.01%	19,943,915
PREFERRED STOCK	59,333,982	0.64%	6,343,939	5.54%	351,454
COMMON EQUITY	5,437,121,445	59.20%	586,814,313	12.16%	71,340,096
TOTAL CAPITALIZATION	9,184,894,561	100.00%	991,240,394		91,635,466

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,688,439,135	40.67%	407,199,189	5.01%	20,400,679
PREFERRED STOCK	59,333,982	0.66%	6,608,101	5.54%	366,089
COMMON EQUITY	5,320,799,338	58.67%	587,420,123	11.57%	67,956,985
TOTAL CAPITALIZATION	9,068,572,455	100.00%	1,001,227,413		88,723,753